

March 1, 2012

Ted Townsend
Townsend Engineering
2425 Hubbell Ave
Des Moines IA 50317

In Re: Iowa Primate Learning Sanctuary, d/b/a Great Ape Trust
Our File No. 50620

Dear Mr. Townsend:

I have been appointed counsel for the Great Ape Trust following the resignation of Jaki Samuelson and asked by the Board to communicate several concerns.

The first and most immediate concern is that we had been informed by Bill Fields that there was to be significantly more funding that would be provided for the transition than has proven to be available. We are of the opinion that many policy decisions made by Mr. Fields may not have been communicated to you and consequently the representations that you had made to your Board, and to Dr. Sue Savage-Rumbaugh, have not been supported by what we have recently discovered.

Susan McKee, the accountant for the Great Ape Trust of Iowa, appointed by your Board has supported the figures that we have currently enumerated in the enclosed accounting summary that at least \$260,729 in operating expenses up through December 31, 2011 have not been reimbursed by you. The Trust is currently hanging on by its fingernails. Food is being donated for the bonobos by Wal-Mart and HyVee, the Trust is operated essentially by volunteers, and only the bare minimum is being expended from the meager reserves and the donations that the present Board has been able to acquire in such a short period of time. Thus, it is essential that we receive a check in at least this amount immediately to survive.

Our dire financial situation is aggravated by our inability to properly manage the bonobo facility. You designed an excellent building to house the bonobos with a significant communication system, a safety system, and utility controls that have all been disassembled and most made inoperative. Even the fresh air system had been closed off except for the human area of the building. Why makes absolutely no sense as it created a health hazard. Even the bonobos are complaining about the heat in the west end of the building. As a result, even the operation of the building and the heating system has become a significant and needless additional expense.

At this point we feel strongly that your payment of \$260,729 for operating expenses is necessary in order for the Trust be able to now go forward as the

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effective research program that you intended. We will then need to further address the infrastructure of the facility. The control system for the building utilities is a major example. The Trust currently does not have the resources to address these issues and consequently it is forced to pay excess utility costs.

The control of the front gate is now labor intensive because the Trust can no longer afford guards and volunteer staff personnel must constantly run back and forth to admit anyone to the facility, because the controls are not operative through the computer system.

There are many other similar issues, and I do not mean to do more than merely raise the question of whether you are willing to let the facility and its current deteriorated condition be your legacy to science, or whether you would prefer that the Trust be the facility you designed and intended? If you agree with me that the latter is more appropriate and in keeping with your goals, then we need your assistance to restore the pristine structure you created.

Another very serious issue that has now surfaced is that we have discovered that the previous administration elected not to pay unemployment taxes on payroll. Iowa Code §96.7(8) does authorize a nonprofit organization to elect not to pay unemployment taxes, but it makes the organization and its successors liable for reimbursing the state for unemployment payments as they are made to the organization's former employees. Why on earth the previous administration chose to do so is unfathomable to me.

What it means, however, is that insufficient funds remained for the Trust to retain the staffing level that you hired to manage the facility. All but three employees have had to be let go, because the Trust does not have funds available to meet payroll. All of these former employees are rightfully filing for unemployment. We may have a defense against some but the Trust does not even have the funds available to defend itself against their claims. My personal opinion is that unemployment compensation should be available to all employees so I am unwilling to challenge anyone seeking unemployment compensation. However, this now means that the Trust will have an unknown liability for at least the next 24 months when the state bills the Trust quarterly for the unemployment compensation received by these employees. That has to be paid to the state within 30 days of each billing.

We have included in this statement our estimate of \$60,000 for the employees that were laid off by the previous administration prior to the current Board assuming management control of the facility for this year. Those that do not acquire other employment within the year will create further liability. That amount we already know to be a liability of the Trust. This liability alone could exceed \$250,000 for which there are absolutely no resources to pay. I do not want the public embarrassment for the Trust to have to file for protection under the bankruptcy laws, because I fear that it could never recover its former stature. But

that is the only remedy that I see available to the Trust if you do not accept this liability.

The loss of the bonobo colony for its continued research would be a serious loss to science and to the outstanding facility that you have built. You had promised that you would care for these bonobos for their lifetime when you received custody of them. The Board of the Trust feels, consistent with your promises that we need to work out some form of reasonable partnership to address these issues. We can assure you on the part of the current Board that they are doing everything they can to:

1. Raise operating funds from the public.
2. Convert the Trust into a state-owned facility supported by university budgets so that its existence can extend into perpetuity.
3. Reduce all operating costs to the bare minimum by sustaining the operation of the Trust through volunteer services to the extent possible.
4. Maintain the prestige of the scientific community for the facility that you have created.
5. Attempting to avoid negative publicity that would diminish the public image of the wonderful facility that you have built.

However, in order to do this, we need your continued assistance to repair the damage that has occurred during the previous administration of the Trust, to, at the very least, cover:

1. The operating expenses for 2011 that you had promised to pay.
2. To cover the unemployment insurance costs caused by the administration's decisions not to pay unemployment taxes,
3. To provide backup assurance to the Board for the unexpected contingencies beyond which the current Board has neither the ability to control, nor the capacity to meet, until these obligations are, hopefully, assumed by the State of Iowa.
4. To cover the expenses necessary to restore the building to the operating condition that it was designed to serve.

We recently hosted a visit by Iowa's Governor. He recognizes the value of maintaining the Trust as a resource for the people of Iowa and marveled at the great facility that you had built. We are asking him to personally offer the Trust to

the new President at Iowa State University. Hopefully, that will transpire. But, if not, he has agreed to do all that he can to help us protect the Trust. We ask that you join the current Board in this partnership to help us make that happen.

Thank you for your kind consideration of our observations and attempt to make this an effective transition as you have requested.

We look forward to your response.

Most sincerely,

Lyle L. Simpson
LLS/cmc

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